Montana Department of Natural Resources and Conservation
Water Resources Division
Water Rights Bureau

ENVIRONMENTAL ASSESSMENT
For Routine Actions with Limited Environmental Impact

Part I. Proposed Action Description

1. Applicant/Contact name and address: LHC, Inc, PO Box 7338, Kalispell, MT 59904

2. Type of action: Application To Change A Water Right 76LJ 30028122

3. Water source name: Stillwater River

4. Location affected by project: E½ NE¼ Section 26 and N½ NW¼ Section 25, both in Township 29N, Range 22W, Flathead County.

5. Narrative summary of the proposed project, purpose, action to be taken, and benefits: The DNRC shall issue a change authorization if an applicant proves the criteria in 85-2-402 MCA are met. LHC, Incorporated (hereafter LHC) has three water right claims from the Stillwater River. The combined water rights are to irrigate a total of 181 acres. LHC is in the process of changing their land use from agriculture to gravel mining. Therefore, this change application addresses changing the majority of the three appropriations from irrigation use to industrial use. A small amount of water will still be used for landscape irrigation along the margins of the property. The place of use will remain the same because the wash plant is a mobile unit that can be relocated throughout the property as needed for gravel production. The point of diversion will also remain in the same location. A Final Environmental Assessment prepared by the Department of Environmental Quality (DEQ) has been adopted and made a part of the change application file; therefore, the scope of this EA will be limited to water use only. Anyone interested in the EA written by DEQ can contact the Kalispell Water Resources Regional Office for a copy of the EA. The DEQ Project Name: Kalispell Pit, Amendment #3 is to include an additional 23 acres. The total area covered by the permit will increase from 116 to 139 acres within the location described in item 4 above. The benefit to the water right holder under this change is the ability to wash a portion of the estimated 5.25 million cubic yards of gravel made available under the land use change.

6. Agencies consulted during preparation of the Environmental Assessment:
(include agencies with overlapping jurisdiction)

Department of Environmental Quality
Montana Natural Heritage Program
Department of Fish, Wildlife & Parks

Part II. Environmental Review

1. Environmental Impact Checklist:

PHYSICAL ENVIRONMENT

WATER QUANTITY, QUALITY AND DISTRIBUTION

Water quantity *- Assess whether the source of supply is identified as a chronically or periodically dewatered stream by DFWP. Assess whether the proposed use will worsen the already dewatered condition.*

Determination: The Stillwater River is not listed as chronically or periodically dewatered. The application is to change the purpose of use only and water use will not be increased. The current condition of the river will not worsen.

Water quality *- Assess whether the stream is listed as water quality impaired or threatened by DEQ, and whether the proposed project will affect water quality.*

Determination: From the confluence with Logan creek to the mouth of the Stillwater River the Montana 303(d) list shows non-support for drinking, partial support for aqua life and cold water fish. It does fully support agriculture, recreation and industrial use.

Groundwater *- Assess if the proposed project impacts ground water quality or supply. If this is a groundwater appropriation, assess if it could impact adjacent surface water flows.*

Determination: The project is for the use of surface water only. There will be no impact to groundwater. A hydrogeologic assessment prepared for the City of Kalispell in 1999 showed that groundwater flows towards the river and it is likely that groundwater augments Stillwater River flows.

DIVERSION WORKS - *Assess whether the means of diversion, construction and operation of the appropriation works of the proposed project will impact any of the following: channel impacts, flow modifications, barriers, riparian areas, dams, well construction.*

Determination: The diversion works is a 100-HP Marlow pump that replaces the existing pump. The new distribution main will be 10-inch I.D. HDPE pipe and will be approximately 5,600-feet in length. Calculations using the William and Hazen equation indicate this diameter of pipe will deliver 1300 gpm. The pump station is established and no impacts from replacing the pump are anticipated.

UNIQUE, ENDANGERED, FRAGILE OR LIMITED ENVIRONMENTAL RESOURCES

Endangered and threatened species *- Assess whether the proposed project will impact any threatened or endangered fish, wildlife, plants or aquatic species or any "species of special concern," or create a barrier to the migration or movement of fish or wildlife. For groundwater, assess whether the proposed project, including impacts on adjacent surface flows, would impact any threatened or endangered species or "species of special concern."*

Determination: Through contact with Fish, Wildlife & Parks it has been determined both Bull Trout and West Slope Cutthroat Trout are in the river system. Both species, consisting of adults and juveniles can be found seasonally. Bull Trout spawn in the headwaters on forest service land and juveniles do not move downstream until they are large enough that they will not be impacted by the pump. No impact.

Wetlands *- Consult and assess whether the apparent wetland is a functional wetland (according to COE definitions), and whether the wetland resource would be impacted.*

Determination: No wetlands are located within the project site.

Ponds *- For ponds, consult and assess whether existing wildlife, waterfowl, or fisheries resources would be impacted.*

Determination: The general area has many glacial potholes or ponds; one borders the mining area on the north side. The pond is fed primarily by LHC's existing wash plant and to a lesser extent by Nupac who shares ownership of the pond. A small pothole is located at the southwest corner of the permit area. Several precautions have been taken to minimize possible contamination of the ground water. All bulk fuel is stored at the existing facility near the LHC office complex along Stillwater Road. Portable equipment with fuel tanks such as dozers, loaders, and trucks would be operating in various places throughout the new area. Any accidental spills or leaks from equipment would be excavated and disposed. No waste or trash would be disposed of at the site. With these precautions, the quality and quantity of the ground and surface water should not be adversely impacted.

GEOLOGY/SOIL QUALITY, STABILITY AND MOISTURE - *Assess whether there will be degradation of soil quality, alteration of soil stability, or moisture content. Assess whether the soils are heavy in salts that could cause saline seep.*

Determination: The mining operation will remove yards of material from the area. The topography will be altered by the removal of this material. The mine area will be lowered and the slopes will be left at a 3:1 grade. A Plan of Operation is required to mitigate impacts and DEQ is required by law to see the work is done. Mitigate impact.

VEGETATION COVER, QUANTITY AND QUALITY/NOXIOUS WEEDS - *Assess impacts to existing vegetative cover. Assess whether the proposed project would result in the establishment or spread of noxious weeds.*

Determination: According to Montana Natural Heritage Program there are no known rare or sensitive plants in the site area. No impact

AIR QUALITY - *Assess whether there will be a deterioration of air quality or adverse effects on vegetation due to increased air pollutants.*

Determination: Water use is necessary and helpful to assist air quality from deterioration. For a complete and final assessment on air quality see DEQ Final Environmental Assessment, Kalispell Pit #3 located in this water right change file or at the Department of Environmental Quality.

HISTORICAL AND ARCHEOLOGICAL SITES - *Assess whether there will be degradation of unique archeological or historical sites in the vicinity of the proposed project.*

Determination: The site has been disturbed by modern man. A surface reconnaissance did not discover any cultural, historical or archeological resources. The State Historic Preservation Office will be promptly notified if significant resources are found.

DEMANDS ON ENVIRONMENTAL RESOURCES OF LAND, WATER, AND ENERGY - *Assess any other impacts on environmental resources of land, water and energy not already addressed.*

Determination: None

HUMAN ENVIRONMENT

LOCALLY ADOPTED ENVIRONMENTAL PLANS AND GOALS - *Assess whether the proposed project is inconsistent with any locally adopted environmental plans and goals.*

Determination: A conditional use permit was granted by Flathead County on June 7, 2005. The major restriction limits the time of operation. The conditional use permit for the proposed project makes the project consistent with adopted plans and goals.

ACCESS TO AND QUALITY OF RECREATIONAL AND WILDERNESS ACTIVITIES - *Assess whether the proposed project will impact access to or the quality of recreational and wilderness activities.*

Determination: There are no public fishing access points to the river near the permit area.

HUMAN HEALTH - *Assess whether the proposed project impacts on human health.*

Determination: No impact from the use of water in the project area.

PRIVATE PROPERTY - *Assess whether there are any government regulatory impacts on private property rights.*
Yes___ No___ If yes, analyze any alternatives considered that could reduce, minimize, or eliminate the regulation of private property rights.

Determination: A permit to change the purpose of the beneficial use of water is a requirement specified by law. There are no alternatives.

OTHER HUMAN ENVIRONMENTAL ISSUES - *For routine actions of limited environmental impact, the following may be addressed in a checklist fashion.*

Impacts on:

(a) *Cultural uniqueness and diversity?* No

(b) *Local and state tax base and tax revenues?* Yes

(c) *Existing land uses?* Yes

(d) *Quantity and distribution of employment?* Yes

(e) *Distribution and density of population and housing?* No

(f) *Demands for government services?* No

(g) *Industrial and commercial activity?* Yes

(h) *Utilities?* No

(i) *Transportation?* Yes

(j) *Safety?* Yes

(k) *Other appropriate social and economic circumstances?* None

2. ***Secondary and cumulative impacts on the physical environment and human population:***

Secondary Impacts None, this is an existing water right

Cumulative Impacts None, This is an existing water right

3. ***Describe any mitigation/stipulation measures:*** Water use records to assure the changed amount of water is not exceeded.

4. ***Description and analysis of reasonable alternatives to the proposed action, including the no action alternative, if an alternative is reasonably available and prudent to consider:*** This is an existing water right. There is no reasonable alternative.

PART III. Conclusion

1. ***Preferred Alternative:*** None

2 ***Comments and Responses***: None

3. ***Finding:***
Yes___ No___ Based on the significance criteria evaluated in this EA, is an EIS required? No

If an EIS is not required, explain why the EA is the appropriate level of analysis for this proposed action: No significant impacts have been identified, therefore no EIS is necessary.

Name of person(s) responsible for preparation of EA:

Name: Rich Russell
Title: Water Resources Specialist
Date: July 4, 2007